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February 29, 2008

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By e-filing

Anne K. Quinlan, Esq
Acting Secretary
Surface Transportation Board
395 E Street, S.W., Suite 1149
Washington, DC 20024

Re: Docket No. AB-1014, *Denver & Rio Grande Railway Historical Foundation --
Adverse Abandonment -- in Mineral County, CO*

Dear Ms. Quinlan

Pursuant to 49 C.F.R. Part 1114, Subpart A, the Board is respectfully requested to take official notice of the attached article from the February 27, 2008 issue of the Pueblo (CO) Chieftan, entitled "Silver Starring in Creede." The article describes a \$23.2 million purchase by Hecla Mining Company of a 25-square-mile section of the Creede Mining District that includes 30 miles of ore veins. The article bears on the issue of whether there is a reasonable prospect of future traffic on the segment of the Creede Branch sought to be adversely abandoned. It is appropriate for the Board to take official notice of the article, which was published after the January 31 due date for the filing of evidence in opposition to adverse abandonment.

Very truly yours,

Tom McFarland

Thomas F. McFarland
Attorney for Denver & Rio Grande
Railway Historical Foundation and
Denver & Rio Grande Railroad Company

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cc: Ronald Johnson, Esq)
John Heffner, Esq) by e-mail
John L. Richardson, Esq)
Mr. Donald H. Shank)

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Silver stirring in Creede

By MATT HILDNER
THE PUEBLO CHIEFTAIN

A town that draws tourists from around the globe because of its mining history may once again have the real thing on display.

Hecla Mining announced the terms of a \$23.2-million deal that may lead to an exploration program for silver as soon as this spring in a 25-square-mile section of the Creede Mining District.

The centerpiece of the agreement made with Emerald Mining & Leasing and Golden 8 Mining, would allow the company to earn up to a 70 percent interest in property that includes the Bulldog Mine, operated by Homestead Mining before it shuttered its operations in 1985.

The agreement also includes more than 30 miles of ore veins. Some, like the Amethyst and Alpha Corsair, helped fuel Creede's rise as a boomtown with more than 8,000 people in the early 1890s. Others, such as the OH and Equity veins, helped extend mining into the 20th century.

"Certainly the Bulldog contains the bulk of the known silver resources today," said Ron Clayton, Hecla's senior vice president of operations. "But we're very interested in the entire land package they were able to consolidate."

The company said in a statement last week the land includes at least 48 million ounces of silver and may yield more than 100 million ounces within the next few years.

The terms of the agreement between the Cour d'Alene Idaho-based company and Emerald Mining & Leasing and Golden 8 Mining would allow Hecla to gain a 70 percent joint-venture interest in the land package. In turn, Hecla would have to pay the other two companies \$11.2 million in common stock and commit to spending \$12 million in exploration work over a three-year period.

Clayton, an Alamosa native who once worked in the Bulldog Mine, said the company's revenue from its operations in Mullen, Idaho, and Juneau, Alaska, made the Creede deal possible.

Silver, along with other metals such as gold and molybdenum, have risen in price in recent years and sparked the return of the mining industry across much of the West.

Spot prices for silver now are more than \$18 per ounce. When Creede saw its last

mining activity in 1985, those prices hovered between \$5 and \$6 per ounce.

Clayton said the exploratory work would not result in much hiring.

He estimated the company would have eight to 10 employees, plus those from whichever drilling company is hired.

"It will be a pretty small group to start with," he said.

While that work may not result in many local paychecks, the prospect of mining's return has sparked excitement in Creede, where summer tourists have been the area's economic mainstay for the past two decades.

"You hear comments like, 'It'd be great to have a 12-month economy again,' " said Mineral County Commissioner Zeke Ward.

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